

1 Adopt 2 Cal. Code Regs. Section 18530.4 to read:

2 **18530.4 Legal Defense Funds.**

3 (a) Notwithstanding Government Code section 85201, candidates who raise legal
4 defense funds pursuant to Government Code section 85304 [Decision 1: option A: must deposit
5 those funds in a single bank account; option B: must or may be held in separate bank accounts
6 for each different proceeding] at a financial institution located in the State of California which is
7 [are] separate from any other bank account held by the official, including any campaign bank
8 account. The candidate must establish a controlled committee for the account[s] by filing a
9 statement of organization pursuant to Government Code section 84101. The words “Legal
10 Defense Fund” shall be included as part of the committee name.

11 (b) The committee shall file [Decision 2: option A: semi-annual; option B: quarterly
12 option C: neither A nor B] campaign statements pursuant to Chapter 4 [option C: and 5] of
13 Title 9 of the Government Code.

14 (c) Contributions to a legal defense fund account are not subject to Government Code
15 sections 85200, 85201 and 85402.

16 (d) An elected state officer or candidate for elective state office may establish a legal
17 defense fund under Government Code section 85304 regardless of the individual’s status as a
18 local candidate or officeholder.

19 **[Decision 3: (e) Funds raised pursuant to Government Code section 85304 are limited to**
20 **that amount reasonably necessary to defray the attorney fees and other legal costs related to the**
21 **proceeding for which the fund was created.]**

22 **[Decision 4: (e/f) Option A: Remaining legal defense funds, as defined by subdivision**
23 **(c) of Government Code section 85304, may be disposed of for the purpose set forth in**

1 subdivision (b)(1) of Government Code section 89519, except that such discharge is limited to
2 reimbursement of defense costs actually incurred by the campaign committee and is subject to
3 the provisions of Government Code sections 85301-85306.; Option B: Remaining legal defense
4 funds, as defined by subdivision (c) of Government Code section 85304, may be disposed of for
5 the purpose set forth in subdivision (b)(1) of Government Code section 89519, except that such
6 discharge is subject to the provisions of Government Code sections 85301-85306.]

7 **[If 1B, then: (e/f/g) The candidate may have more than one account for separate**
8 **proceedings as long as these accounts are separate from any other accounts held by the**
9 **candidate, including those containing personal funds.]**

10 NOTE: Authority cited: Section 83112, Government Code.

11 Reference: Sections 85301, 85302, 85303, 85304, 85305, 85306 and 89519, Government Code.